GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:4301
ANSWERED ON:12.12.2016
Labour Market Reforms
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Government is planning to push for labour market reforms;
(b) if so, the details thereof and the reasons therefor;
(c)whether major part of manufacturing output in the country comes from enterprises in the formal sector while a similar proportion of manufacturing employment is generated by enterprises in the informal sector;
(d)if so, the details thereof and the response of the Government thereto;
(e)whether this has created a labour aristocracy that seeks to protect its privileges but in effect keeps the majority of industrial workers trapped in informal enterprises; and
(f)if so, the details thereof along with the steps taken/being taken in this regard?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) & (b): Reforms in labour laws are an ongoing process to update legislative system to address the need of the hour including labour market and to make them more effective and contemporary to the emerging economic and industrial scenario. The process of Legislative reforms includes consultation with stakeholders including Central Trade Unions, Employers' Association and State Governments in the form of tripartite consultation.

(c) to (f): As per the survey carried out by the NSSO in 2011-12, the percentage distribution of workers in formal and informal sector in industry was about 7.6% and 92.4% respectively. However, corresponding estimates of manufacturing output are not available. Rationalization of labour laws and reducing the complexity of compliance will lead to better and effective enforcement of labour laws, thus enhancing job security, wage security and social security and improving the conditions of informal sector workers.

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